

## WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN  
BEFORE THE MEDICAL EXAMINING BOARD

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IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

STEVEN L. ARMUS, M.D.  
RESPONDENT.

:  
:  
: FINAL DECISION AND ORDER  
:  
:

**0004391**

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Division of Legal Services and Compliance Case No. 13 MED 244

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Steven L. Armus, M.D.  
5215 Highway 38  
Franksville, WI 53126

Wisconsin Medical Examining Board  
P.O. Box 8366  
Madison, WI 53708-8366

Division of Legal Services and Compliance  
Department of Safety and Professional Services  
P.O. Box 7190  
Madison, WI 53707-7190

A disciplinary proceeding was commenced in this matter by the filing of a Notice of Hearing and Complaint with the Wisconsin Department of Administration, Division of Hearings and Appeals on November 19, 2014 (SPS-14-0089). Prior to the hearing on the Complaint, the parties in this matter agreed to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Medical Examining Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent Steven L. Armus, M.D., (DOB November 19, 1960) is licensed in the state of Wisconsin to practice medicine and surgery, having license number 34598-20, first issued on July 20, 1993, with registration current through October 31, 2017. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 5215 Highway 38, Franksville, Wisconsin 53126.

2. On March 23, 2009, Respondent was charged in Kenosha County Circuit

Court Case No. 09-CF-342 with Possession of Cocaine with Intent to Deliver.

3. Respondent self-reported the Kenosha County case to the Department,<sup>1</sup> and on April 1, 2009, the Department opened 09 MED 095.

4. On August 18, 2010, while the Kenosha County case was still pending, 09 MED 095 was resolved with a stipulated Final Decision and Order (000348) whereby Respondent's medical license (no. 34598-20) was suspended indefinitely, but the suspension was stayed pending his compliance with AODA treatment and monitoring for four years.<sup>2</sup>

5. On October 19, 2010, Respondent was indicted in the United States District Court – Eastern District of Wisconsin Case No. 10-CR-00216 on numerous charges, including felony Conspiracy to Distribute Cocaine and felony Possession with Intent to Deliver Cocaine.

6. On September 2, 2011, Respondent entered a guilty plea in federal court to felony Conspiracy to Distribute Cocaine and felony Possession with Intent to Deliver Cocaine. As a part of his plea deal, and in an effort to reduce his sentence exposure, Respondent agreed to become a confidential informant assisting state and federal law enforcement agencies investigating drug trafficking and other criminal activities.<sup>3</sup>

7. On October 25, 2011, and as a result of the federal plea deal, the Kenosha County case was dismissed.

8. In 2012, under the supervision of state prosecutors and law enforcement agents, Respondent purchased cocaine and crack cocaine from three current or former dermatology patients on multiple occasions as a confidential informant. Those purchases by the respondent resulted in the patients being arrested, charged and convicted of drug offenses.

9. On July 31, 2013, the Department received complaints filed by three of Respondent's current or former patients. The complaints alleged that as part of his confidential informant activities, Respondent used his role as the complainants' physician to induce them into procuring cocaine for Respondent. The complaints alleged that, as a result of the patients' agreement to procure cocaine for Respondent, the patients were arrested and charged with drug offenses.

10. Division of Legal Services and Compliance case number 13 MED 244 was subsequently opened for investigation.

11. On November 19, 2014, the Department filed a formal Complaint alleging various violations of Wis. Admin. Code § MED 10.02 (Nov. 2002) based on the Respondent's alleged use of his role as the complainants' physician to induce them into

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<sup>1</sup> Then known as the Department of Regulation and Licensing.

<sup>2</sup> Respondent complied with all treatment and monitoring conditions and full licensure was reinstated by the Board on August 21, 2014.

<sup>3</sup> Sentencing on Respondent's guilty plea has been stayed during the course of his informant activities, but sentencing and a final judgment of conviction are scheduled to occur on December 11, 2015.

procuring cocaine for him.

12. Respondent denies the violations alleged in the Department's Complaint, but in order to resolve 13 MED 244, Respondent consents to the entry of the following Conclusions of Law and Order.

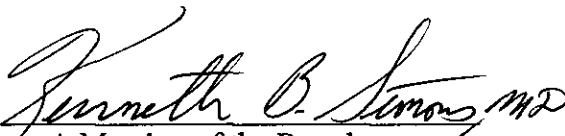
#### CONCLUSIONS OF LAW

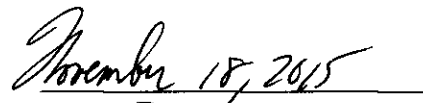
1. The Wisconsin Medical Examining Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 448.02(3), and is authorized to enter into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

#### ORDER

1. The attached Stipulation is accepted.
2. The license of Steven L. Armus, M.D. (license no. 34598-20) to practice medicine and surgery in the state of Wisconsin is REVOKED.
3. Respondent Steven L. Armus, M.D. shall not petition for reinstatement of licensure for a period of two (2) years following the effective date of this Order.
4. If and when Respondent Steven L. Armus, M.D., petitions for reinstatement of licensure, he shall, as a prerequisite, pay the COSTS of this matter in the amount of \$9,400 before any such petition may be considered.
5. Under Wis. Stat. § 448.02(6), the Board in its discretion may determine whether and under what terms and conditions to grant any petition for reinstatement of Respondent's licensure.
6. This Order is effective as of December 18, 2015.

WISCONSIN MEDICAL EXAMINING BOARD

by:   
A Member of the Board

  
Date

STATE OF WISCONSIN  
BEFORE THE MEDICAL EXAMINING BOARD

IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

STEVEN L. ARMUS, M.D.,  
RESPONDENT.

STIPULATION

0004391

Division of Legal Services and Compliance Case No. 13 MED 244

Respondent Steven L. Armus, M.D., and the Division of Legal Services and Compliance, Department of Safety and Professional Services stipulate as follows:

1. This Stipulation is entered into as a result of a pending investigation by the Division of Legal Services and Compliance. Respondent consents to the resolution of this matter by Stipulation.

2. Respondent understands that by signing this Stipulation, Respondent voluntarily and knowingly waives the following rights:

- the right to a hearing on the allegations against Respondent, at which time the State has the burden of proving those allegations by a preponderance of the evidence;
- the right to confront and cross-examine the witnesses against Respondent;
- the right to call witnesses on Respondent's behalf and to compel their attendance by subpoena;
- the right to testify on Respondent's own behalf;
- the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision;
- the right to petition for rehearing; and
- all other applicable rights afforded to Respondent under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and other provisions of state or federal law.

3. Respondent is aware of Respondent's right to seek legal representation and has been provided an opportunity to obtain legal counsel before signing this Stipulation. Respondent is represented by Attorney Patrick Knight.


4. Respondent agrees to the adoption of the attached Final Decision and Order by the Wisconsin Medical Examining Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent waives all rights to any appeal of the Board's order, if adopted in the form as attached.

5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division of Legal Services and Compliance for further proceedings. In the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempted resolution.

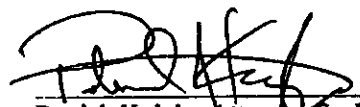
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondent or Respondent's attorney, for purposes of speaking in support of this agreement and answering questions that any member of the Board may have in connection with deliberations on the Stipulation. Additionally, any such advisor may vote on whether the Board should accept this Stipulation and issue the attached Final Decision and Order.

7. Respondent is informed that should the Board adopt this Stipulation, the Board's Final Decision and Order is a public record and will be published in accordance with standard Department procedure.


8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.

  
Steven L. Armus, M.D., Respondent  
5215 Highway 38  
Franksville, WI 53126  
License no. 34598

11/17/15  
Date

  
Patrick Knight, Attorney for Respondent  
Gimbel, Reilly, Guerin, Brown, LLP  
330 E. Kilbourn Avenue, Suite 1170  
Milwaukee, WI 53202

11/17/15  
Date

  
Joost Kap, Prosecuting Attorney  
Department of Safety and Professional Services  
Division of Legal Services and Compliance  
P.O. Box 7190  
Madison, WI 53707-7190

11/17/15  
Date